



**DEFENSE CONTRACT AUDIT AGENCY**  
**DEPARTMENT OF DEFENSE**  
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IN REPLY REFER TO

OTS 730.3A

January 16, 2004  
04-OTS-005(R)

**MEMORANDUM FOR REGIONAL DIRECTORS, DCAA**  
**DIRECTOR, FIELD DETACHMENT, DCAA**

**SUBJECT: Audit Guidance Memorandum: DMIS Definition of Electronic Submissions**

The purpose of this memorandum is to:

- Advise all DCAA staff that we have successfully met our Plan goal of increasing electronic submissions to 50 percent in FY 2003.
- Seek your continued support as we strive to obtain all submissions electronically.
- Reemphasize the definition of what constitutes a valid entry for "Contractors Proposal Submitted Electronically Code" in DMIS. The definition below is effective immediately.

Over the last 2 years, we set goals toward increasing the number of submissions we receive electronically to 25 percent and 50 percent in FY 2002 and 2003. In each year, we achieved these goals by actually receiving 32.6 percent and 51.4 percent of submissions electronically in those years. We are in the process of establishing new goals for FYs 2004 and beyond as we strive to obtain all submissions electronically.

Electronic submissions are important because they allow us to more effectively and productively use contractor data during our audits. The ability to reuse contractor prepared data and schedules allows us to simply append contractor prepared schedules, select statistical samples, and perform other audit tasks in a much more productive manner than re-keying data. In the near future, we will be performing field visits to determine how effectively we are using electronic data and to determine if there are areas (such as training or software) that we need to address to facilitate the effective use of electronic data.

The following definition of "Contractor PROPOSAL SUBMITTED ELECTRONICALLY CODE" is effective immediately and has been posted to the DMIS User Guide.

*A contractor's submission is considered an "E" – Electronic Transmittal when it meets the following criteria:*

- 1) The initial submission is provided primarily via electronic media, i.e., diskette, CD-ROM, e-mail, on-line access, or other acceptable media; excluding any documents required in paper form by the procurement process, such as a signed document.*
- 2) The submission meets the "adequacy" requirements defined by CAM 6-707 and 9-200 for incurred cost submission and price proposals.*

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- 3) *The submission, including subsequent supporting data, is provided primarily via electronic media and can be processed for audit purposes without additional manual efforts, such as re-keying data into a spreadsheet. The data must be in an acceptable format for processing on DCAA computers, such as word processing files, electronic spreadsheets, databases files, PDF files, scanned images of supporting documents, etc. Other electronic files (such as ASCII) that can be used intact or readily converted to a usable form shall also be considered electronic.*

*A submission that is mailed, faxed or otherwise delivered primarily in hard copy format to the FAO will be coded as "P" - Paper Transmittal. If during the audit process the contractor electronically provides additional data which, when added to the data provided in the initial submission would qualify the submission as electronic, an initial determination of "P" should be changed to "E" before assignment closure.*

Should you have any questions or suggestions, please contact Mr. Stan Arnold, Program Manager-OTS at telephone (703) 767-2268 or e-mail <mailto:stan.arnold@dcaa.mil>.

/s/

Earl J. Newman  
Assistant Director  
Operations

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